



## BUILD PROGRAM

### BUSINESS USE INCENTIVES FOR LARGE SCALE DEVELOPMENT

Provides a financial incentive for the location or expansion of large business projects. The incentives are designed to reduce necessary infrastructure and equipment expenses if a project can demonstrate a need for funding.

#### AUTHORIZATION

Sections 100.700 to 100.850, RSMo

#### ELIGIBLE AREAS

Statewide.

#### ELIGIBLE APPLICANTS

- An eligible industry in manufacturing, processing, assembly, research and development, agricultural processing or services in interstate commerce must invest a minimum of \$15 million; or \$10 million for an office industry (regional, national or international headquarters, telecommunications operations, computer operations, insurance companies or credit card billing and processing centers) in an economic development project; and
- Create a minimum of one hundred new jobs for eligible employees at the economic development project or a minimum of 500 jobs if the economic development project is an office industry or a minimum of 200 new jobs if the economic development project is an office industry located within a distressed community as defined in Section 135.530, RSMo.
- Ineligible: Retail, health or professional services, intra-state relocations or replacement facilities.

#### PROGRAM BENEFITS/ELIGIBLE USES

The bonds may be used to finance public or private infrastructure to support the project, or the new capital improvements of the business at the project location. Bond proceeds may not be used for working capital, inventory or other operating costs of the business or another entity.

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 148 – Bank Tax, Insurance Premium Tax, Other Financial Institution Tax

This credit's special attributes: Refundable.

#### FUNDING LIMITS

The amount of bonds to be issued will be determined by the Missouri Department of Economic Development (DED) and the Missouri Development Finance Board (MDFB), based on the need for funding to initiate the project, and limited to the state's economic benefit. The minimum bond issue is \$500,000.

#### APPLICATION/APPROVAL PROCEDURE

Only after the acceptance of a DED proposal letter the business must submit an application to DED and MDFB for review. If the business has not received and signed a DED proposal letter, then no application can be submitted. Applications are due 15 business days prior to the first Monday of the month. DED and MDFB will review on a case-by-case basis. There can be no assurance that an application will be approved by MDFB and no timing of any approval can be guaranteed.

#### REPORTING REQUIREMENTS

The business must report to MDFB the number of new jobs; the total amount of salaries and wages paid to eligible employees and investment in capital improvements, semi-annually during the initial 3-year build out phase and annually for the term of the credits.

#### SPECIAL PROGRAM REQUIREMENTS

The following conditions must be met for a project to be approved:

- Sale of Bonds: The Applicant will be required to purchase the Bonds.
- Cooperative Effort: The political subdivisions benefiting from the project or other local entities must commit significant local incentives relative to their economic benefit compared to the state. Such incentives may include tax abatement, discounted utility fees or others, to the extent allowed by law.
- DED and the MDFB must determine that the program is a material factor in the company's decision to initiate the project, and this is certified by the business.
- Positive State Economic Impact: The amount of new direct and indirect state taxes over an 8- to 15-year period, as calculated by DED, must exceed the total amount of incentives provided by the state.
- Requirements: New full-time (35+ hours per week) jobs in a new or expanding business (not including identical jobs filled by recalled workers, replacement jobs or jobs which previously existed in the business) are considered to be "new jobs". The business or a related taxpayer cannot have employed them during the preceding twelve months. The wages for such employees must be above the average wage for the area.
- "Clawbacks": If the business does not fulfill the commitments made regarding the number of new jobs or capital investment, the tax credits will be reduced proportionately. If the business does not meet the minimum capital investment or minimum number of new jobs by the end of the 3-year build out phase or an event of default occurs under the governing agreements occurs, including with respect to the number of new jobs retained or amount of capital investment, MDFB may seek a penalty, among other remedies, equal to the amount of the tax credits received prior to that time.

#### CONTACT

Missouri Development Finance Board Governors  
Office Building  
200 Madison Street, Ste 100 | P.O. Box 567 Jefferson  
City, MO | 65102  
Phone: 573-751-8479 | Fax: 573-526-4418 Email:  
mdfb@ded.mo.gov | Web: www.mdfb.org